

Inter Department Correspondence Sheet

TO: _I	Members of Council
FROM	I: <u>Richard Allan Bull, City Clerk</u>
COPII	ES TO:
SUBJE	ECT: Minutes of City Council Meeting
March	3, 2021

Attached are the minutes from the City Council Meeting held on February 23, 2021.

Richard Allan Bull

City Clerk

NORFOLK, VIRGINIA

MEETING OF COUNCIL

TUESDAY, FEBRUARY 23, 2021

Mayor Alexander, called the meeting to order at 4:00 p.m. and announced this meeting on February 23, 2021, is being held by electronic communication means pursuant to Item 4-0.01 in House Bill 30 (Chapter 1289) of the 2020 Session.

The Governor of the Commonwealth of Virginia has declared a State of Emergency due to the public health danger of the novel coronavirus COVID-19 pandemic, which constitutes a disaster and emergency under Virginia Code Section 44-146.16.

The COVID-19 pandemic makes it impracticable or unsafe for the City Council to assemble in a single location.

The purpose of this meeting is to discuss or transact the business statutorily required or necessary to continue operations of this public body and the discharge of its lawful purposes, duties, and responsibilities.

This meeting will be conducted by the following electronic communication means: telephonically and electronically through WebEx. The public may participate by providing their comments in email to the Clerk's Office in advance of the hearing or by WebEx phone or video.

The members of the Council were present by remote/electronic WebEx: Mrs. Courtney R. Doyle, Mrs. Mamie B. Johnson, Mrs. Andria P. McClellan, Ms. Danica Royster, Mr. Tommy Smigiel, and Mr. Martin Thomas Jr. Mr. Paul R. Riddick attended telephonically, and Mayor Kenneth Cooper Alexander attended in person.

CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clauses 1** and **7** of subsection A of Section 2.2-3711 of the Virginia Freedom of Information Act:

- (1) Discussion of prospective candidates'/appointments and reappointments to various boards and commissions.
- (7) Consultation with legal counsel to discuss options of scheduling local elections.

Yes: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel, Thomas and Alexander.

No: None.

ANNOUNCEMENTS

Executive Order 72

Dr. Filer stated Executive Order 72, amended by Governor Northam in January, is set to expire on Friday, February 28th. Barring any change to that expiration date, the following recreation centers and public pools will reopen under the existing COVID-19 precautions on March 1st:

- Centers: Huntersville, Lamberts Point, Berkley, East Ocean View, Norview, and Norfolk Fitness and Wellness.
- Pools: Southside Aquatic, Northside, and Huntersville

Dr. Filer noted we anticipate during the vaccination process that we will be using some recreation centers as vaccination sites, so a center might close for a day while that occurs.

R-1

Ms. Esi Langston stated that Item R-1 amends the current lease for the Library Administration Building located on Pineridge Road to include the opportunity to buy solar energy generated on site directly from the building. The owner of the building approached the city about their desire to fund a solar solution and the city must agree to the project before they can begin construction. The building will still connect to Dominion Power's grid so it will have the ability to get electricity if the panels are not producing enough energy on a cloudy day. We are projected to save over \$6,000 in electricity costs over the proposed five-year contract. Ms. Langston added that using the renewable energy will reduce our carbon emissions there by 91% which is in line with our goals in the Climate Action Plan.

R-2

Mr. Fraser Picard stated the building at 3800 Village Avenue is the best solution for the Information Technology Department's needs. It is a cost-effective way to get high-quality storage for our data without having to incur large expenses with building a dedicated facility. Moving the city's data center, IT operations, and Public Utilities out of the current location of the Granby Municipal Building has been planned for some time. For optimal operations, certain features are needed such as: raised flooring for high levels of cooling; high electrical power usage; fire suppression that is not water; security; and redundant fiber paths into the building. It will take approximately 20 months to move the city's data center.

AGENDA

Vaccination Data Update

Presenters: Dr. Larry H. Filer II, City Manager

Mr. Jim Redick, Office of Emergency Preparedness, Director

Dr. Filer stated Mr. Redick will continue to give an update each week on the vaccination process and what to expect in each upcoming week.

How Team Norfolk is supporting the Norfolk Department of Public Health (NDPH)

Mr. Redick reported on last week's highlights. The state's new pre-registration hotline and website is now in operation. Citizens who pre-registered through the city do not have to pre-register again in this new system. Our data team has been working directly with the state's team to ensure an effective transfer of information. Citizens who have not pre-registered can register by way of the website and phone number:

- Vaccinate Virginia call center/website announcement
- Vaccinate.virginia.gov/1-877-VAX-IN-VA (8 a.m. 8 p.m.)

Mr. Redick stated that the Norfolk Cares Call Center will transition into outreach efforts beginning Friday, February 26th. Since the city began assisting NDPH, we have seen over 32,000 online pre-registrations. The call center answered over 6,000 telephone inquires and responded to over 2,000 voice messages. There is still a backlog of individuals who pre-registered by telephone who do not have emails, and the call center will be working with the Norfolk Department of Public Health to reach those individuals.

Mr. Redick stated that efforts by Recreation, Parks, and Open Space to help seniors and those without access to technology has made a significant and positive impact. Since February 10th, they have provided hands-on assistance to over 900 individuals. With numbers now in decline and the need for recreation centers and schools to re-open, the initiative will end this Friday.

Last week, NDPH was able to administer nearly 2,500 first and second doses. While the general allotment per day is approximately 600 doses, this week there are plans to conduct two 1,200-dose clinics in addition to two 600-dose clinics. Soon, a state-facilitated partnership with Wal-Mart will bring additional doses to Norfolk over a three-day period, and then four weeks out for the second doses. Vaccination operations have run smoothly, and we continue to work collaboratively as new issues begin to surface. One issue involves people not showing up to their appointments. The issue has to do with citizens not responding to emails or phone calls from the NDPH. We are working to find resolution and additional tools are being considered and deployed to let citizens know what messages to look for and to reply to them.

Along with clinics run by NDPH, doses continue to go out to healthcare partners and several retail pharmacies. While equity-focused vaccination efforts remain Team Norfolk's highest priority, planning is under way to identify several more locations when

vaccinations are more plentiful. Recent Virginia legislation broadened the definition for healthcare providers who can administer vaccinations. For anyone meeting the new criteria, they must register with Norfolk's Medical Reserve Corps by calling 757-683-2760.

As we look to the future when the city begins to re-open, Deputy City Manager Goldsmith, along with department directors, are determining what objectives need to be met to re-open city facilities and what work can continue to be performed efficiently and effectively through telework. The continuity of operations plans will be updated with future recommendations.

Councilwoman McClellan reiterated the need to continue COVID-19 testing.

Councilwoman Royster asked, how are we addressing transportation needs of preregistered seniors with disabilities who live in senior facilities? Mr. Redick answered they realize there is a transportation challenge and they are aware of hotspots, and they are looking at solutions with community partners to bring the vaccines directly to these seniors.

Councilman Smigiel expressed concern about the vaccination rollout on a per capita basis, noting that Norfolk is behind Chesapeake, Portsmouth, and most of Northern Virginia. He expressed concern about the western part of the state receiving the same amount of vaccine, but they use a different formula and may be reaching a point where some citizens do not want to get the vaccination. He added there are a lot of disparities, particularly in urban locations and regarding age.

Dr. Filer answered these topics were brought up with the taskforce with Governor Northam's staff last week. They are going to propose a new way to distribute doses that would go beyond the per capita approach. There would still be a per capita element, but it would also take into consideration other factors. He added he will reiterate our concerns about the per capita formula being used for distribution. Councilwoman McClellan added that we have a high military population in the city and their data is unavailable and not being factored in.

Councilwoman McClellan expressed concern that we are still using a system that is sending out unencrypted links for registration that can be shared. Dr. Filer answered the encryption issue should be fixed sometime this week.

Councilwoman Doyle asked when the registration systems for Walgreen's and CVS will combine with the PrepMod system? Mr. Redick stated he will follow-up and provide an answer at the next update.

Norfolk's Live Entertainment Plan 2021

Presenter: Mr. Robert W. Cross, Executive Director, Virginia Arts Festival

Mr. Cross gave an update on the Live Entertainment Plan for 2021 as follows:

Goals & Objectives of the Virginia Arts Festival Greenspace Project

- Reinforce Norfolk's position as a leader for arts, entertainment, and dining.
- Support Norfolk's resident arts organizations' efforts to engage their stakeholders.
- Generate business for downtown restaurants on performance days.
- Encourage patrons to visit additional Norfolk attractions.
- Generate spending for downtown merchants.
- Generate room nights for Norfolk hotels.
- Provide tickets and/or special performances for frontline workers.

How the Virginia Arts Festival Greenspace Project Supports City of Norfolk Key Objectives

- Enhances Norfolk's role as the region's arts destination for entertainment.
- Enhances quality of life for Norfolk residents and attracts new residents.
- Establishes Norfolk as a "University City".
- Attracts a "Creative Class" to Norfolk.

Partners include:

Virginia Arts Festival, City of Norfolk, Seven Venues, Visit Norfolk, and the Downtown Norfolk Council.

Participating Organizations include:

Virginia Symphony Orchestra, Virginia Stage Company at the wells Theatre, The Governor's School for the Arts, Virginia Opera, Civic Leadership Institute, Bay Youth Orchestras of Virginia, Norfolk State University, Old Dominion University, The Feldman Chamber Music Society

Spring/Summer 2021 Performances

- Virginia Stage Company (co-production with Virginia Arts Festival and Norfolk State University of August Wilson's *How I Learned What I Learned*).
- Virginia Opera (co-production with Virginia Arts Festival and Virginia Symphony Orchestra of Leonard Bernstein's *Trouble in Tahiti*. First production for Virginia Opera's new Executive Director Peggy Dye).
- Norfolk State University (co-production with Virginia Arts Festival of *Lady Day*).
- Jae Sinnett Trio
- Zakir Hussain World of Percussion
- Olga Kern
- Brentano String Quartette
- NATO VIP Reception
- John Toomey Trio

Mr. Cross presented photographs showing the Green Space Tent Ground Plan, and its proposed seating plan and street layout. He added that the first performance is slated for April 5th.

Budget Mid-Year Update

Presenter: Mr. Gregory Patrick, Director, Budget, and Strategic Planning

Mr. Patrick reviewed the mid-year budget update. He stated that this is an update from the projection provided in November based on six months of revenue.

Presentation Overview

- Public Health Assumptions
- Economic Outlook and Revenue Overview
- FY 2021 Update and Outlook

Public Health Assumptions

Public Health Scenario Assumptions

Description	Baseline	Updated Baseline
Vaccine approved for use	Spring 2021	Winter 2021
 Vaccine distribution 	\downarrow	\downarrow

Widespread inoculation Fall 2021 Summer/Fall 2021

• Immunity grows through exposure and inoculation

Return to Normal/masks Off Summer 2022 Winter 2022

Fiscal years Impacted by COVID

Fiscal Year	Baseline	Updated Baseline
FY 2020	XX	XX
FY 2021	XXXX	XXXX
FY 2022	XXXX	Χ
FY 2023		

^{*}Updated Baseline shows impact of eight quarters which is a great deal longer than initially contemplated.

Revenue Overview

Economic Outlook

- Key takeaways from regional economists and Commonwealth
 - National
 - Old Dominion University (ODU): Strong expansion in the economy in second half of calendar year (CY) 2021 (first half of FY 2022)
- Commonwealth
 - Virginia anticipated to see growth in income, employment, and wages/salaries
- Region (ODU and (HRPDC) Hampton Roads Planning District Commission)
 - Gross regional product projected growth range of 2.2 percent to 4.4 percent in CY 2021
 - Civilian job growth range of 1.7 percent to 4.7 percent in CY 2021

- Retail sales growth range of 1.8 percent to 4.2 percent in CY 2021
- Defense spending anticipated to continue to grow in Y 2021

Real Estate

- Residential real estate assessments show continued strength
- Commercial real estate assessments will be impacted by the pandemic
 - Income approach for commercial real estate assessments:
 - Apartments
 - Office buildings
 - Hospitality (restaurants, hotel/motel)
 - Shopping centers, etc.
- FY 2022 Assessments (effective July 1, 2021) would be conducted during COVID pandemic
- FY 2023 Assessments (effective July 2, 2022) would be affected by COVID impacted CY 2020 income and expense data

Revenue Scenarios (Graphs presented)

Mr. Patrick stated over the entire five-year projection period, revenues remain below where they would have been pre-COVID. He noted on the second graph the green highlighted cells show, for each revenue source, when we expect a return to pre-COVID highs. He noted the blue highlighted cells show the changes to this table since November (food and beverage tax; hotel and bed tax) and they are projected to reach their pre-COVID highs more quickly.

FY 2021 Update and Outlook

Current FY 2021 Revenue Projection (revenue data through December 2021)

- Collections from major taxes
 - Delinquent real estate and personal property and consumption-based taxes currently tracking ahead
 - Communications sales tax declining and initial business license renewal collections currently tracking behind which impacts Norfolk Public Schools (NPS) revenue sharing formula
 - Continue to monitor consumption-based taxes and real estate collections through Q2
- Collections impacted by event restrictions and reduced service levels
 - Admissions tax, use of property, and charges for services lagging budget
- Upcoming key dates for collections:
 - March April: business license and Q3 real estate
 - May June: personal property and Q4 real estate

Current FY 2021 Update Overview (revenue data through December, amounts in millions)

General Fund Revenue Variance	November Update	February Update	<u>Change</u>
Variance from Adopted Budget	\$9.2	\$11.3	\$2.1
Sources of the Variance:			
Property and other local taxes	\$15.5	\$16.3	\$0.8
Other local revenue	(\$6.5)	(\$6.1)	\$0.4

\$40 million update (amounts in millions, revenue data through December)

FY 2021 Adopted B	udget*	Current FY 2021 Projection*
\$40.5 million		\$31.3 million
(Estimated COVID r	evenue loss)	(Estimated COVID revenue loss)
\$915 million		
FY 2021		
Pre-COVID		
(\$40.5)	\$11.3 million	(\$29.2)
	above budget	

Note: FY 2021 Adopted amount reflects revenue adjustments corresponding to technical adjustments that include, recording of budget savings to the departments where the funding resides and other technical corrections.

FY 2021 Update and Allocation Between City and Norfolk Public Schools (NPS)

	Total	City	NPS
November Projection	\$9.2	\$3.8	\$5. <u>4</u>
February change by Source:			
Property and Other Local Taxes	\$0.8	\$1.0	(\$0.2)
Delinquent Property Taxes	\$1.0	\$1.0	\$0.0
Consumption-based Taxes (sales, hotel, and meals)	\$1.7	\$1.3	\$0.4
Communications Sales and Use	(\$0.9)	(\$0.6)	(\$0.3)
Business License	(\$1.0)	(\$0.7)	(\$0.3)
Other Local Revenue	\$0.4	\$0.4	\$0.0
State/Federal Aid	\$0.9	\$0.9	\$0.0
Subtotal Change by Source	\$2.1	\$2.3	(\$0.2)
February Projection Update	\$11.3	\$6.1	\$5.2

Mr. Patrick noted that NPS does not share all revenues with the city. They share primarily the economically driven revenues. The change in revenues that NPS shares with the city over budget are up \$17.6 million while those revenues that the city does not share with NPS are projected to be \$6.3 million below budget. Based on the funding formula NPS would be allocated \$5.2 million while the city would be allocated \$6.1 million.

FY 2021 Services added after Budget Adoption

Services added after Budget Adoption	Amount
Beach and pool operations – Lifeguard positions	\$376,000
Reopen NFWC, Southside Aquatic and Northside pools	\$188,794
Reopen three additional libraries	\$129,416
Enhanced CIT	\$599,803
Total	\$1,294,013

^{*}Amounts do not include carryforwards. Amounts may not sum to total due to rounding.

Current FY 2021 Projection

Description	Amount
Increase from Adopted	\$11,341,294
Less NPS Revenue Share	(\$5,200,531)
Less FY 2021 Service Additions	(\$1,294,013)
Available for City Use	\$5 044 750

Preliminary FY 2022 Budget Gap

FY 2022 Revenue Estimate	Baseline	Updated Baseline
FY 2021 Adopted budget	\$883.5	\$883.5
FY 2022 Revenue Growth	\$18.0	\$28.7
FY 2022 Preliminary Revenue Estimate	\$901.5	\$912.2
FY 2022 Expenditure Estimate		
FY 2021 Adopted Budget	\$883.5	\$883.5
Less FY 2021 one-time expenses	(\$3.9)	(\$3.9)
Norfolk Public Schools	\$6.6	\$8.3
Budget Drivers	\$7.6	\$6.1
FY 2021 Services added	\$1.3	\$1.3
FY 2021 one-time savings add back	\$10.5	\$10.5
Other expenditure growth	<u>\$3.9</u>	\$5.8
FY 2022 Preliminary Expenditure Estimate	\$909.5	\$911. <u>6</u>
FY 2022 Preliminary Base Budget Surplus/Gap	(\$8.0)	\$0.6

Summary and Recommendations

Summary

- Changes since November 14th presentation:
 - Baseline public health outlook accelerated by six months based on vaccine approvals
 - FY 2021 revenue projection marginally improved based on collections year to date
 - National, state, and regional economic outlook recovery to continue in FY 2022
 - Current budget outlook closer to optimistic scenario presented in November
- Unchanged since November 14th presentation:
 - Five-year revenue forecast shows revenue below pre-COVID levels
 - FY 2021 budget outlook, while improved, is not projected to allow for substantial expansion of current service levels
 - Restoring services now will result in a budget deficit in FY 2022

Recommendations

- Do not use projected revenue surplus of \$5 million to restore services now
 - Any increase to on-going spending now likely to result in FY 2022 budget deficit

Councilwoman McClellan suggested using the surplus for one-time expenses related to the pandemic, such as adding additional grant money for our small businesses and providing additional funding for our schools for testing and PPE. Councilman Smigiel cautioned against using the surplus for schools. He stated there could be funds coming from the federal government with the new CARES Act funding and it might be earmarked for certain items such as PPE. Possibly, the surplus could be used toward CIP funding for NPS to replace HVAC systems or for other construction related items.

Vice Mayor Thomas cautioned against spending any surplus because our revenues are still expected to be lower due to the pandemic.

Dr. Filer added that we are waiting to see what the impact has been on small businesses and business failures before considering using any surplus. We are also waiting to see what the final legislation from the federal government looks like. They should have those questions answered by late March, early April.

NORFOLK, VIRGINIA

ACTION OF THE COUNCIL

CITY COUNCIL MEETING

TUESDAY, FEBRUARY 23, 2021 – 6:00 P.M.

ANNOUNCEMENT

This meeting of the Norfolk City Council is being held by electronic communication means pursuant to Item 4-0.01 in House Bill 30 (Chapter 1289) of the 2020 Session and will be conducted by the following electronic communication means: telephonically and electronically through WebEx. The public may participate by providing their comments in email to the Clerk's Office in advance of the hearing or by WebEx phone or video.

MOMENT OF SILENCE

Followed by the Pledge the Allegiance.

Attendee Name	Title	Status
Courtney R. Doyle	Councilmember - Ward 2	Remote
Mamie B. Johnson	Councilmember - Ward 3	Remote
Andria P. McClellan	Councilmember - Superward 6	Remote
Paul R. Riddick	Councilmember - Ward 4	Remote
Danica J. Royster	Councilmember - Superward 7	Remote
Thomas R. Smigiel Jr.	Councilmember - Ward 5	Remote
Martin A. Thomas Jr.	Vice Mayor	Remote
Kenneth Cooper Alexander	Mayor	Present

APPROVAL OF MINUTES

Approve the minutes of the previous City Council meeting.

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr.,

Thomas Jr., Alexander

CLOSED SESSION RESOLUTION

A Resolution certifying a Closed Meeting of the Council of the City of Norfolk in accordance with the provisions of the Virginia Freedom of Information Act.

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr.,

Thomas Jr., Alexander

PUBLIC HEARINGS

PH-1 Public Hearing scheduled this day pursuant to State Law, to hear comments Approving a Lease Agreement with Foodbank of Southeastern Virginia Inc. for the Lease of City-Owned Property Located at 961 Park Avenue.

An Ordinance Approving a Lease Agreement with Foodbank of Southeastern Virginia, Inc. for the Lease of City-Owned Property Located at 961 Park Avenue. - (Ordinance No. 48304)

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr.,

Thomas Jr., Alexander

PH-2 Public Hearing scheduled this day pursuant to State Law, to hear comments approving an Amendment to Lease Agreement between the City of Norfolk and TWP – The Youth Movement for the premises known as the Vivian C. Mason Arts & Technology Center located at 700 E. Olney Road.

An Ordinance Approving an Amendment to Lease Agreement Between the City of Norfolk and TWP - The Youth Movement for the Premises Known as the Vivian C. Mason Arts & Technology Center Located at 700 E. Olney Road. - (Ordinance No. 48305)

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr.,

Thomas Jr., Alexander

PH-3 Public Hearing scheduled this day pursuant to State Law, to hear comments Approving a Lease Agreement between the City of Norfolk and Azalea Little League, Incorporated for space located at 1130 Pineridge Road.

An Ordinance Approving an Amendment to Lease Agreement Between the City of Norfolk and Azalea Little League, Incorporated for Space Located at 1130 Pineridge Road. - (Ordinance No. 48306)

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr.,

Thomas Jr., Alexander

CONSENT AGENDA

ALL MATTERS LISTED UNDER THE CONSENT AGENDA WILL BE ENACTED BY ONE MOTION IN THE FORM LISTED. IF DISCUSSION IS DESIRED ON ANY ITEM, IT WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED SEPARATELY.

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr., Thomas

Jr., Alexander

- C-1 An Ordinance Accepting the Conveyance of a Stormwater Drainage Easement by United Way of South Hampton Roads to the City of Norfolk and Authorizing the City Manager to Accept the Deed of Easement on Behalf of the City. (Ordinance No. 48307)
- C-2 An Ordinance Permitting Children's Hospital of the Kings Daughters, Inc. to Encroach into the Right-of-Way Near Children's Lane and W. Olney Road with a Conduit. (Ordinance No. 48308)

Robert Beamon, Attorney for applicant, 222 Central Park Avenue, was available by WebEx to answer questions for this matter.

- C-3 An Ordinance Granting Michael, LLC Permission to Encroach into the Right-of-Way at 1231 W. Olney Road, for the Purpose of Outdoor Dining and Approving the Terms and Conditions of the Encroachment Agreement. (Ordinance No. 48309)
- C-4 An Ordinance Granting Blue Marble and Son, L.L.C. Permission to Encroach into the Right-of-Way at 9651 1st View Street with a Sign. (Ordinance No. 48310)
- C-5 An Ordinance Approving the Terms and Conditions of an Amendment to Encroachment Agreement Between the City of Norfolk and Smartmouth Brewing Co. (Ordinance No. 48311)

REGULAR AGENDA

R-1 An Ordinance Approving an Amendment to Lease Agreement Between 1155 Pineridge, LLC and the City of Norfolk for the Property Located at 1155 Pineridge Road. - (Ordinance No. 48312)

John McPhillips, 1210 Colonial Avenue, spoke in opposition to this matter.

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr., Thomas Jr.,

Alexander

R-2 An Ordinance Approving an Equipment Colocation Agreement Between CoxCom, LLC and the City of Norfolk and Authorizing the City Manager to Execute the Equipment Colocation Agreement on Behalf of the City of Norfolk. - (Ordinance No. 48313)

ACTION: Adopted [Unanimous]

AYES: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel Jr., Thomas Jr.,

Alexander

ADJOURNMENT